Audit's® MARKET ANALYSIS OF REITS AND REAL ESTATE COMPANIES

Realty Stock Review

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Market Strategy: Look For Values Amid Year-End Selling

The decade of the 1980s is drawing to a close with investors deluged by sharply contradictory media coverage of real estate. Just look at this montage of last week's headlines:

"Crumbling Castles: Recession in Real Estate"
"Stocks Drop Sharply on Real Estate Fears"
"The Top Real Estate Play May be on the Street"

Those headlines from, respectively, *Barron's, The Wall Street Journal*, and *Business Week*, attest to the split verdict on real estate among the nation's journalists.

But investors see only pessimism about real estate. As a result real estate stocks are ending the decade in the worst bear market since December 1974. We think there are some striking parallels between then and now that point toward market strategy for today's investors.

Tale of Two Declines. In December 1974, tax-selling was vicious as already deflated realty stocks were hammered. Worries about bad real estate loans by commercial banks and mortgage REITs were rife, and the outlook for real estate was uninspiring in the eyes of nearly all economists. As a result REIT stocks plunged 49.6% in price for the year, exceeding the 33.1% fall of 1973. The two-year decline left REIT stocks at an all-time low of 34.93, as measured by the Index compiled by the National Assn. of REITs. REIT stocks yielded an average 16.5% at that bottom.

In December 1989, REIT stocks are ending the year down only about 11% in price, and overall prices are about 3% lower than at the bottom of the October 1987 market plunge. All REITs yield about 10.0% (see table, page 8).

Tale of One Rebound. We don't know precisely what will happen in 1990 but it's reasonable to expect a fairly strong rebound. That dizzying 1973-74 plunge was followed by equally dazzling recoveries of 22% and 36.5% in the following two years, 1975 and 1976. And those recoveries came while many individual REITs and companies were wrestling with mounting problem loans.

The lesson, it seems, is that the market senses both good news and bad news well before it shows up in EPS, CFS and dividends. Certainly the strong showing in CFS and dividends by the seasoned equity REITs and investment builders supports the view that sound fundamentals abound for the market to discover.

Equities Up, Mortgages Down. But the overall averages conceal a major pricing shift since Oct. 1987. Equity REITs (and indeed most equity-ownership realty stocks) are up 19% since the Oct. 1987 bottom, while mortgage REITs and equity-mortgage combination REITs are down 27% and 20% respectively. It's clear that press focus on bad real estate loans by major banks is spilling over into mortgage related REITs and companies.

What "Real Estate" Really Means. It also seems clear that investors are starting to translate "real estate" in the headlines above for what it really is: a journalistic shorthand for all manner of distressed properties in diverse locations. For instance:

—Most bad "real estate" loans reported by banks seem to be construction and development loans for ill-conceived condominum or single-family house projects. Hence homebuilder stocks have been under severe pressure.

—About one-third of the "bad" real estate now residing inside the Resolution Trust Corp., the workout agency for the troubled S&Ls, is raw land and another 40%-50% seems to be single family homes and condos.

—Federal Nat. Mtg. Assn., the nation's largest secondary market maker for home mortgages, reports that its foreclosures peaked two years ago and inventory has fallen for 23 months running right now.

—The wild overbuilding in office

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Portfolio Selector of Stocks For Investment Goals

Portfolio Selector is designed as a working tool for your use in selecting stocks under current market conditions and prices.

Key elements of Selector are:

1. Currrent Pricing Limit and Stop Loss Points for Each Stock. We suggest initial, or limit, purchase prices in the right hand column which we would follow in placing buy/sell orders with brokers. Stocks marked with a "#" sign are selling above suggested limits and "hold/buy on declines" is advised. Limit/stop loss prices are changed monthly with the market; current stock prices are shown in the adjoining column.

2. RSR's Exclusive Ranking. REALTY STOCK REVIEW ranks actively traded stocks from A to E, with A Ranked stocks recommended and included in Selector (see page 8). Some B and C Rank stocks are added for selection.

3. Stocks Grouped for Investment Goals. Stocks are grouped into five major categories reflecting major investment goals. The first four groups are tailored for mainstream, risk-averse investing. The fifth group, Aggressive Recovery, contains stocks whose yield and recovery are more speculative, hence riskier.

4. Total Return Measurement. Total return from both price change and dividends for the last 12 months is shown.

5. Location and Region. Selector lists major property types and regions so you can balance holdings.

Stock (RSR Review)	RSR Rank	Prop. Type	Prop. Region	12 Mon. Tot.Ret.	Current Price	Advice/Limit/ Stop Loss
STABLE INCOME WITH ASSET VALUE GROWTH						
Seasoned Equity REITs and Income Property Owners						
BradleyRl.(10/20/9)	A	SC	MW	(21.3)%	$ 9.75	Buy to 10.5
BRE Props.(10/20/9)	A	APT/SC	CA,WA	(1.2)	27.75	Buy to 29
Burnham Pac.(10/20/9)	A	SC/OFF	CA	+8.6	19.00	Buy to 20
Chicago Dock(3/10/9)	B	LD	IL	(1.8)	24.25	Hold/Buy to 26
Cousins Prop.(3/10/9)	A	LD/OFF	GA	+3.8	16.00	Hold/Buy to 17
Dial REIT (10/27/9)	B	SC	MW	+3.9	16.25	Buy to 17.5
Federal Rl.(10/20/9)	A	SC	NE	+8.9	21.75	Buy to 22.5
HRE Props.(4/21/9)	A	SC/OFF	NAT	+13.5	22.88	Hold/Buy to 23
IRT Prop.(10/27/9)	A	SC	SE	(6.3)	12.63	Buy to 14
Intl.Income (4/28/9)	A	SC	NAT	+8.2	13.50	Hold/Buy to 14
Koger Eq. (3/10/9)	B	OFF	SE	(1.7)	17.13	Buy to 18
New Plan Rlty(10/27/9)	A	SC	NE	+18.2	17.75	Buy to 17#
Penn. REIT (10/27/9)	A	SC/APT	NE	+31.4	26.88	Hold/Buy to 25#
REIT of Cal.(10/20/9)	B	SC/OFF	CA	+8.0	15.63	Hold/Buy to 16
Santa Anita(4/28/9)	A	SC/RACE	CA	(6.7)	28.25	Hold/Buy to 30
Utd.Dom.(10/27/9)	A	APT	VA,NC	+6.0	18.00	Buy to 19
Washington REIT(4/21/9)	A	OFF/APT	DC	+0.1	18.75	Hold /Buy to 20
Weingarten Rl.(10/20/9)	A	SC	TX	+31.8	32.00	Hold/Buy to 31#
Western Inv.RE(10/20/9)	A	SC	CA	+18.5	19.38	Hold/Buy to 19#
GROUP				+6.7%		
HIGHER INCOME, LOWER GROWTH & INTEREST RISKS						
Mortgage Finance, Fixed & Participating Mortgage REITs, Leaseback REITs						
*American Health (12/8/9)	A	MED	NAT	+39.1	23.00	Buy to 23.50
*Eastgroup Pr.(12/8/9)	B	OFF/SC	NAT	+9.7	21.25	Hold/Buy to 21#
Fed.Nat.Mtg. (8/11/9)	A	MTG	NAT	+115.1	34.38	Hold/Buy to 36
*Health Care Pr.(12/22/9)	A	MED	NAT	+32.0	31.00	Offer pending
Mellon PMT(8/25/9)	C	SC	NAT	(14.4)	5.63	Buy to 6
Mtg.&Rlty.(8/25/9)	B	DIV	NAT	(8.9)	13.38	Buy to 15
Mtg.Inv.Plus(12/23/8)	B	OFF	CA	+7.6	7.00	Buy to 7.5
*Rock.Ctr.Prop.(12/8/9)	A	OFF	NY	+16.7	20.75	Buy to 21
*Univ.Hlth.Rl.(12/8/9)	A	MED	NAT	+21.2	12.63	Hold/Buy to 13.5
GROUP				+27.7%		
FASTER GROWTH, DEVELOPMENT RISKS PLUS PRICE VOLATILITY						
Investment Builders, Income Property Owners, & Equity MLPs						
EQK Green Ac.LP(7/28/9)	A	SC	NY	+0.9	11.88	Buy to 13
Equit.RE Sh.LP(7/28/9)	C	SC	MI,MN	(9.2)	7.25	Buy to 9
Forest City(9/15/9)	B	SC/OFF	NAT	(8.5)	36.88	Buy to 40
Koger Prop.(3/10/9)	A	OFF	SE	(0.3)	23.63	Buy to 25
Perini Inv.(9/15/9)	B	OFF/IND	NAT	(6.0)	15.38	Hold/Buy to 17
Rouse Co.(9/15/9)	A	SC/LD	NAT	+6.5	25.00	Buy to 27
Shopco Lau.LP(7/14/9)	C	SC	MD	+2.3	8.88	Buy to 10
GROUP				+2.5%		

Stock (RSR Review)	RSR Rank	Prop. Type	Prop. Region	12 Mon. Tot.Ret.	Current Price	Advice/Limit/ Stop Loss
LONG TERM GROWTH VIA VALUE CREATION/RATE RISKS/PRICE VOLATILITY						
Land & Income Property Developers, Homebuilders						
Amrep Corp.(9/15/9)	C	LAND	NM	(14.8)%	$ 6.50	Buy to 7
Centex Corp. (11/10/9)	A	HSG/MTL	NATn	+15.0	30.50	Buy to 33
Hovnanian Ent.(11/10/9)	B	HSG	NJ,FL	(3.3)	7.38	Hold/Buy to 8
Inter.Genl.LP(9/29/9)	B	LD/APT	MD,PR	+21.4	7.00	Buy to 8
K&B Home(11/10/9)	A	HSG/CML	CA,FR	+30.4	12.88	Hold/Buy to 18
Lennar Corp.(11/10/9)	A	HSG	FL	+13.2	20.00	Hold/Buy to 22
Newhall Land(9/29/9)	A	LAND	CA	+13.4	59.75	Hold/Buy to 65
Oriole Home(11/24/9)	B	HSG	FL	(5.1)	8.63	Hold/Buy to 9
Ryland Gr. (11/24/9)	A	HSG/MTG	NAT	+2.5	19.25	Hold/Buy to 22
Std.Pacific LP(11/10/9)	A	HSG	CA	+37.8	13.75	Buy to 15
UDC Univ. Dev. (11/24/9)	B	HSG	CA,AZ	+25.0	21.00	Buy to 25
GROUP				+13.8%		
AGGRESSIVE RECOVERY/TAKEOVER CANDIDATES/LIQUIDATIONS						
Speculative yield, Uncertain Outcome, High Price Volatility						
CleveTrust(8/12/8)	C	OFF/SC	SW	(12.5)	4.38	Hold/Buy to 5
*Copley Prop.(12/8/9)	B	IND	W	(24.8)	11.50	Buy to 12
DukeRlty.(10/27/9)	B	OFF/IND	IN,OH	(1.3)	4.75	Buy to 5.5
First Union (10/20/9)	A	SC/OFF	NAT	0.0	16.75	Buy to 18
*Hlth.CareREIT(12/22/9)	B	MED	MW	+42.7	14.25	Buy to 14.5
Hotel Inv.(10/27/9)	L	HOT	NAT	(20.0)	6.50	Hold
Leisure Tech.(11/14/9)	C	RET/HSG	CA,NJ	(47.1)	2.25	Hold/Buy to 3
*ICM Prop.(12/8/9)	B	OFF	NAT	(20.8)	6.63	Buy to 7.5
MGI Props.(7/8/8)	B	APT/OFF	SE/MW	(24.9)	12.38	Buy to 13
MONY Real Est.(5/13/8)	L	IND/SC	NAT	+7.3	8.00	Buy to 8.50/Liq.
MSA Rlty.(8/25/9)	L	SC	MW	+26.3	8.88	Hold/Buy to 10
*Nationwide Hlth.(12/8/9)	B	MED	NAT	+18.9	12.63	Offer pending
Prop.Tr.Am.(7/8/8&7/28/9)	A	SC/APT	TX,CO	+0.8	9.00	Hold/Buy to 10
Sizeler Inv.(7/8/8&7/28/9)	B	SC	LA	+7.6	13.50	Buy to 14
Webb (Del) Cp. (9/15/9)	B	HSG	AZ,NV	(38.9)	8.25	Buy to 9
GROUP				(6.2)%		

All Stocks Except Recovery Group	+10.3%
S&P 500	+24.7%

RANKING CHANGES: Meditrust B to C; Rock Ctr. Prop. B to A

DELETED: General Development Corp.

Property types: APT=Apartment; CML=Commercial; DIV=Diversified; HOT=Hotel/lodging; HSG=Housing;IND=Industrial; LD=Land Devel.; MED-Medical; MTL=Motel; MTG=Mortgage; OFF=Office; RACE=Race track; RET HSG=Retirement housing; SC=Shopping Center; S&L=Savings & loan.
Property locations: NE=Northeast; SE=Southeast; SW=Southwest; MW=Midwest; W=West; NAT=National. States are Postal Service code.
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markets that marked the last half of the 1980s seems to be receding very grudgingly. If past experience means anything, it signals that investors are already beginning to say most real problems have been absorbed into current CFS and dividend estimates.

Our Portfolio Selector still gives heaviest weight to the stable income and asset value growth of the seasoned equity REITs. The higher income and lower growth character of some medical leaseback and participating mortgage REITs should also interest conservative investors, as outlined in this month's reviews.

As mentioned in those reviews, we've added American Health Properties and Nationwide Health Propeties to Portfolio Selector. We've deleted **General Development Corp.** from the Long-Term Growth group because we think the current environment isn't hospitable to more highly leveraged companies such as GDV.

A number of limit prices are moved downward in response to lower market prices; check the underlined limits before placing orders in this bottom-fishing, year-end market. We've changed **Mony Real Estate, MSA Realty** and **Hotel Investors** to "L" or Liquidating category. While neither MSA or Hotel have voted to liquidate, the designation accurately reflects their plans to sell all or most of their assets (RSR, Dec. 4 and Aug. 25).

CleveTrust Realty Investors (CTRIS:OTC) nosedived in the month in response to news it lost $1.84/sh. in its Sept. 1989 fiscal year, including a $1.27/sh. writedown of its 187,000 sq.ft. European Crossroads property in Dallas. Built as a boutique shopping center, the shops never caught favor with customers and two major tenants vacated 60,000 SF (32% of space) in 1989 after settling lease obligations. Prospective new tenants have decided to locate elsewhere and CTRIS says it will sell the property, provided an acceptable price can be obtained. Despite losing 60,000 SF leased space at Crossroads, CTRIS had a net gain of 58,000 SF leased space during 1989. CTRIS properties are mainly shopping centers and offices in the Midwest and Oil Patch.

The market for CTRIS shares is very thin and suffered in Dec. when its chairman, Cleveland realty investor James Carney, decided to sell some of his 12% holdings to offset property gains. Despite some gyrations in stock price, CTRIS shares are down 12.5% the past 12 months, better than some other recovery group picks and indicating that CTRIS stock may have bottomed. CTRIS is priced at a 50% discount to $8.74/sh. book value net of $8.30/sh. depreciation.

CURRENT ASSET VALUE COMPARISONS

	DATE	CURRENT VALUE/ SHARE	% PRICE TO CUR. VALUE
QUALIFIED REITS			
BRE PROPERTIES #	7/89	$36.75	-24.5%
BURNHAM PAC PROP#	12/88	$18.50b	2.7%
COPLEY PROPS #	12/88	$23.37	-50.8%
DUKE RLTY INVST #	12/88	$ 8.31	-42.8%
FEDERAL REALTY#	12/88	$21.50b	1.2%
FIRST UNION RE#	12/88	$26.25b	-36.2%
GRUB&ELLS REIT	12/88	$ 9.36	-34.6%
HRE PROPERTIES #	10/88	$27.50b	-16.8%
INTI. INCOME PR#	12/88	$19.17	-29.6%
IRT PROPERTY CO#	12/88	$16.00b	-21.1%
NEW PLAN RLY TR#	7/89	$16.67	6.5%
PENN REIT#	8/88	$26.00b	3.4%
PRU RL CAPITAL #	12/88	$ 2.43	-66.5%
SANTA ANITA	12/88	$27.82	1.5%
SIERA CAP RLY IV#	12/88	$ 0.00	-48.4%
SIERA CAP RLY VI#	12/88	$ 8.82	-50.4%
SIERRA RE EQ83#	12/87	$10.21	-41.2%
SIERRA RE EQ84#	12/87	$ 8.37	-53.7%
TRAML CROW REI#	12/88	$11.46	-59.6%
USP RL EST INV#	12/88	$ 9.44	-52.3%
UTD DOMINN RLY#	12/88	$20.50b	-12.2%
WASH RE (WRIT)#	12/88	$17.00b	10.3%
WEINGARTEN RLY#	12/88	$23.00b	39.1%
WESTERN INV RE#	12/88	$19.00b	2.0%
AVERAGE (24 REITs)			-23.9%
OPERATING COMPANIES			
BAY FINCL CORP	5/89	$ 6.02	-83.4%
EQK GRN ACRES LP#	12/88	$13.93	-14.8%
EQUITABLE RE SC #	12/88	$10.22	-29.1%
FOREST CITY-A#	1/89	$70.00b	-47.3%
FOREST CITY-B#	1/89	$70.00b	-38.6%
FORUM RET PFD UN#	9/89	$ 9.96	-71.1%
LA QUINTA MTR IN#	12/88	$15.75b	-57.1%
MSA REALTY CORP #	12/88	$12.35	-28.1%
NATIONAL REALTY	12/88	$26.00b	-88.9%
NEWHALL LAND	12/88	$48.48	23.2%
PERINI INV PR#	9/89	$24.77	-37.9%
PRIME MTR INN LP#	12/88	$20.90b	-48.6%
RED LIONS INNS #	12/88	$17.00b	-1.5%
ROUSE CO#	12/88	$30.65	-18.4%
SHOPCO LAURL CTR#	12/88	$11.40	-22.1%
SOUTHWEST RLTY#	2/89	$ 3.70	-66.2%
AVERAGE (16 Companies)			-39.4%

Current market values of net assets (i.e., properties held) are reported publicly by companies. Values are estimated by management and concurred in by independent appraisers except for: New Plan Realty, management estimate only. Share values are fully diluted. a-Entity has not revalued mortgages. b-Estimated by RSR; not confirmed by entity..

HEALTH CARE PROPERTY INVESTORS, INC. (HCP:NYSE) RANK A

The first of the 1980s generation of health care REITs, internally managed HCP has established itself atop the first tier of medical leaseback REITs. HCP is the most diversified health care REIT, owning 139 properties located in 30 states. HCP leases facilities to 17 operators, the largest being HCP's initial sponsor, National Medical Enterprises (NME:NYSE). Our A Rank holds and HCP continues in Portfolio Selector.

Gut Issue: Will delays in HCP's planned stock offering interrupt its game plan? We think the odds are strongly against any interruption but postponement into January 1990 of HCP's planned offer of 2.25 mil. shs. comes during an inopportune market turmoil for realty stocks. HCP filed its offer in early November and found such strong interest during its road show with investors that the offering was set for the Dec. 15 week.

Then lawyers found an obscure clause in Maryland law, where HCP is chartered, that *may* give existing holders pre-emptive rights to buy new stock under certain circumstances. This discovery forced HCP to call a special shareholders' meeting in January to amend its charter to eliminate any doubt about HCP's ability to sell new shares. (Nationwide Health Properties' is also doing the same for its planned Jan. 1990 offering.) We don't doubt that shareholders will go along.

Our concern is that real estate stocks have been so weak in December that underwriters could find it difficult to rekindle enthusiasm after the holidays. At this writing HCP has been immune to year-end tax selling, because its 20%-plus total return to date makes HCP one of 1989's biggest market winners. On this basis alone HCP should come through the silly-season holiday markets with momentum intact.

Diversification: A-Plus. HCP stands out as the the most risk-averse health care leaseback REIT. As the largest health care REIT, it is also the most diversified by four important measures:

—Number of separate lessees: HCP's roster of 17 lessees is by far the industry's largest number of operators. Initial sponsor NME at 49% of facilities and 62% of rents remains the largest, but no other operator accounts for over 12% of HCP facilities. Other operators are Beverly Enterprses, 11.6%; Continental Medical, 7.1%; Holiday Medical, 6.6%; and Horizon

Healthcare, 5.5%.

—Geographic spread: HCP owns facilities in 30 states, with only two states over 10%: Texas at 11.9% and California, 10.5%.

—Facility type: Nursing homes account for 73.5% of HCP properties but other types are looming larger: rehabilitation facilities are up to 12.4%; acute care hospitals, 9.3%; congregate care, 3.9%; and psychiatric facilities, 1.0%.

—Credit backup: NME unconditionally guarantees its leases and HCP has $26 mil. in credit enhancements covering most other properties. These credit backups could let HCP withstand an 11-month default by tenants.

EPS, cash flow and dividends: We see 1989 net cash flow at about $2.85-2.90/sh. excluding 21¢ loss provision which HCP includes in CFS. HCP should record another 8%-10% gain in 1990, after absorbing dilution from its planned stock offering. Dividends have been boosted for 16 consecutive quarters.

Advice: Buy for longer term. HCP is the quality holding, for growth and above average income, in health care group. (KDC)

HCP:NYSE Rank A Dec. yrs. 9.20 mil. shs.
Price$ 30.75 Div. $2.91 Yld. 9.5% Price/CFS: 10.0X

Yr.	Op.EPS	CFS	Div.	High	Low	Yld.Range
1985	$1.04a	$1.31	$0.73	$23.50	$19.00	11.8- 9.6%a
1986	1.79	2.50	2.30	31.25	20.25	11.4- 7.4
1987	1.74	2.70	2.46	31.38	21.75	11.3- 7.8
1988	1.67	2.93	2.635	28.25	23.63	11.2- 9.3
1989E	1.70	2.90b	2.905	32.00	24.63z	11.8-9.1z
1990E	NE	3.30-3.35	3.05			

a-Seven months; dividend annualized. b-Excludes 21¢ loss provision included in CFS by company. z-To date.

Share data: Institutions own 49.3%; insiders 0.7%. Avg. weekly volume: 88,700 sh.
Finances 9/89 (Mil.$): Debt: $216.4M; Equity: $169.9M; Accum. deprec.: $34.7M; Equity + deprec. equals $22.23/sh. Debt/equity ratio: 1.27-1.
Address: 10990 Wilshire, Ste. 1200, Los Angeles, CA 90024. (213) 473-1990.

HEALTH CARE REIT, INC. (HCN:ASE) RANK B

HCN is recovering slowly but steadily from several problem nursing homes which interrupted HCN's impressive long-term EPS and dividend growth HCN finances construction and start up of smaller nursing homes, mostly in the Midwest, by making land/leasebacks meant to be repurchased via options in 6-10 years. It has expanded into retirement apartment units. It finances or owns 71 facilities with about 6,616 nursing home beds, 797 retirement center units, and 294 psychiatric beds. HCN uses modest leverage and has periodically sold stock to raise new capital. We keep B Rank and hold recovery in Portfolio Selector.

Gut Issue: Can HCN sustain its early fast recovery from 1988 setbacks? HCN initially snapped back from its problems, boosted payout in two steps to the current $1.68 annual rate from the low $1.52 annual rate set in the Dec. 1988 qtr. But Sept. qtr. cash flow from the five troubled facilities in three locations fell a bit from the June qtr. and HCN says the facilities must increase patient census to maintain cash flow momentum and ultimately let HCN sell or refinance the properties. HCN has invested $9.4 mil. in the five, or 5.0% of gross investments. They became nonearning largely because of cost pressures and, in the case of a N.Mex. retirement center, competitive pressures. This center is now being removed from HCN's watch list. Status at July 1989:

Location	Beds	Occ.	Comment
Ft. Wayne, Ind.	203(a)	69%	Occupancy down 4% since May
Camp Verde, AZ	120	56	Occupancy down since Feb.
Santa Fe, N.Mex.	150	73	Leaseup seen 5/90; New funds added

a-Three facilities.

HCN's business is shifting from reliance on direct financing leases to a healthier mix of lease and mortgage loans. Leases are down to 49% of $186.7 mil. investments, while loans are up to 42%.

EPS, cash flow and liquidity: HCN's EPS should come in at about $1.78/sh. for 1989, up 5%. Funds available for distribution (CFS) however will fall about 5.7% to $1.66/sh., restraining ability to boost payout. As the problem assets fade, we see gradual recovery to about $1.74 CFS in 1990 and see the current $1.68 dividend rate holding through mid-1990.

Advice: Buy in aggressive accounts for longer-term recovery. We have a good comfort level in HCN's ability to deal with problems, and investors get 11% yield while waiting. (KDC)

HCN:ASE Rank B Dec. years 6.08 mil. shs.
Price: $14.50 Div. $1.68 Yld. 11.6% Price/EPS: 8.7X

Year	Op.EPS	Op.CFS	Div.	High	Low	Yld.Range
1985	$1.64	NA	$1.46	$17.13	$12.75	11.5-8.5%
1986	1.60	$1.71	1.54	19.13	12.88	12.0-8.0
1987	1.89	1.91	1.65	18.38	13.63	12.1-9.0
1988	1.70	1.76	1.70	18.38	10.75	15.8-9.3
1989E	1.78	1.66	1.62	16.00	11.38z	14.6-10.4z
1990E	NE	1.74	1.68			

z-To date.

Share data: Institutions own 21.2%; Insiders 3.7%. Avg. weekly volume: 31,500 sh.
Finances 9/89 (Mil.$): Debt: $111.5M; Equity at cost: $73.9M or $12.16/sh. Debt/equity ratio: 1.51-1.
Address: One SeaGate, #1950, Box 1475, Toledo, O. 43603. (419) 247-2800.

HEALTH & REHABILITATION PROPERTIES TRUST (HRP:NYSE) RANK C

HRP owns specialized health facilities active in head trauma and pulmonary rehabilitation, substance abuse, adolescent psychiatry, and skilled and intermediate care, all areas in which management sees above-average potential revenue growth. It is sponsored by principals of Greenery Rehabilitation Group Inc. (GRGI:OTC) and Continuing Health Care Corp. (a private company owned by New MediCo), which account for 35% and 40% of HRP's net leases respectively. These principals also own HRP's adviser. HRP also leases facilities to other operators. Rank continues at C.

Gut Issue: Will HRP's recent stock offering give it wider investor recognition and a higher stock price? HRP's current 12.5% dividend yield puts it in the middle of the pack for health care leaseback REITs. The yield is about the midpoint of HRP's yield range of 10.5% to 15.2% over the past two years. Investors accepted a 12.2% yield in the Dec. 6 offering of 6.0 mil. shs. at $9.50/sh. All this means that HRP is very slowly attracting broader investor support. To win such support HRP has reduced risk by taking three actions:

(1) It spreads risk by investing in properties managed by several operators; (2) It reduces dependence upon government cost control and funding pressures by investing in speciality facilities serving a high percentage of private-pay patients; and (3) It has shortened initial lease term to as little as seven years to maximize inflation protection.

But investors have been standoffish because of the smaller size

and shorter track records of HRP's major sponsors and lessees. About 75% of properties are operated by HRP's two sponsors, and other large lessees include United Medical (private), Sunrise Healthcare (private) and Horizon Healthcare (HHC:NYSE). In the March 1989 qtr., one smaller operator, Care Centers, faltered and HRP took back a Michigan center with 189 beds. The center was then re-leased to an affiliate of a related company, New MediCo. Care Centers filed for Ch. XI protection Nov. 21, 1989 and HRP is negotiating to buy a Farmington, MI facility on which HRP has loaned $2.7 mil.

EPS, CFS and dividends. Operating CFS should reach about $1.20/sh. in 1989, up 6%. CFS is the more important number to watch, because HRP and other health care REITs base distributions on CFS. HRP boosted payout to $0.29, or $1.16 annual rate, with the Oct. 1989 payout reflecting CFS gains in the Sept. qtr. We see further CFS gain to about $1.25/sh. for 1990.

Advice: Hold/buy for aggressive accounts. Downside risk looks low. (KDC)

HRP:NYSE Rank C Dec. years 16.0 mil. shs.
Price: $9.25 Div.$1.16 Yld. 12.5% Price/CFS: 7.8X

Year	Op.EPS	Op.CFS	Div.	High	Low	Yield
1986	$0.02a	$0.03	$0.025	$10.00	$9.38	NM- NM
1987	0.85	1.07	1.06	10.13	6.75	15.7-10.5%
1988	0.77	1.13	1.12	9.38	7.38	15.2-10.9
1989E	NE	1.20	1.14	10.50	7.50z	15.2-10.9z
1990E	NE	1.25	1.18			

a-8 days; initial offering 12/23/86. zTo date. NM-Not meaningful.

Share data: Institutions own 27.9%; insiders xxx%; Adviser owns 6.2%; Affiliates of New Medico own 4.3%. Avg. weekly volume: 89,600 sh.
Finances 9/89 pro forma 12/89 offering (Mil.$): Debt: $70.0M; Equity: $132.8M; Accum. Deprec.: $7.5M; Equity + deprec.: $8.77/sh. Debt/equity ratio: 0.53-1.
Address: 215 First St., Cambridge, Mass. 02142. (617) 661-3112.

MEDITRUST (MT:NYSE) RANK C

MT, the largest health care REIT, has rapidly expanded and diversified from 87% of its portfolio leased to original sponsor Mediplex Group, Inc. to 38% today. Mediplex' future remains undetermined as parent Avon Products (AVP:NYSE) is still shopping for a buyer after MT refused to accept one prospective buyer. The remainder of MT's facilities are net leased to other third-party operators.

MT's $675 mil. assets are in 96 facilities with 11,185 beds in 24 states divided among 13 different operators. Investments are 63% property owned in sale/leasebacks and partnerships; 26% participating mortgages; and 11% construction and development financing. By property type gross investments are long-term care facilities, 34%; alcohol and substance abuse treatment centers, 19%; rehabilitation hospitals, 33%; psychiatric hospitals, 10%; retirement centers, 4%. MT has registered 3.5 mil. new shares for sale in January. We are reducing Rank to C to reflect belief that MT will be a market performer.

Gut Issue: Have MT shares fully reflected the risk of financing development properties? MT has grown far faster than any competitor the past two years with a 123% surge ($379 mil.) in assets since Dec. 1987. MT has moved aggressively to become a full-range financier of health care properties and assets have ballooned by $379 mil. since the end of 1987. MT has added $172 mil. or 33% the past nine months alone.

We aren't against growth per se but question an aggressive growth strategy when storm flags are flying for the health care facility industry. Eight of the ten largest health care REITs and MLP we cover have reported some problems the past year. So far MT hasn't encountered any nonperforming assets, but MT is now such a large player that its borrowers and lessees simply aren't immune to Federal medical cost containment pressures that negate the automatic growth assumption common in the field. We think caution is in order.

New equity investments. In the Sept. nine months MT acquired four new facilities it had developed for $44.1 mil. and then refinanced them with $21.6 mil. third-party debt. New commitments in the nine months were made on four facilities: $5.9 mil. for a 120-bed long-term care facility in Evergreen, CO and $33.7 mil. for three rehabilitation hospitals totaling 200 bed in Arlington, TX, Bakersfield, CA and Tucson, AZ. And in 1989 MT has provided $120.3 mil. permanent mortgage funding for 13 facilities at approx. $94,353/bed.

Construction and development financing: MT has funded $19.5 mil. in development financing on four facilities with 294 beds and has unfunded commitments of approx. $18 mil. on them. At completion MT will provide permanent mortgage financing to unrelated parties. In 1989 MT has funded $55.1 mil. for construction of 10 facilities with 1,275 beds (all still under construction, including new commitments) and has unfunded commitments for another $47 mil. When completed MT will own seven facilities and not less than 94% of the remainder. Total cost will be approx. $80,000/ bed.

Financing: MT is well funded at the moment. In 1989 MT has made two privately placed unsecured senior note note offerings of $100 mil. each. The most recent closed in Aug. 1989, bears interest at 10.22%, and is due in 1999. In Feb. 1989 MT placed $100 mil. of 10.86% unsecured senior notes due 2001. Placement proceeds were used to repay existing short-term floating rate debt, finance new facilities and fund forward commitments. MT also has $30 mil. of 9.8% commercial paper outstanding. MT's $85 mil. credit line was renewed in Oct. at the prime rate.

EPS, CFS and dividends. We see 1989 CFS of about $2.20/ sh., up 6%. This is slightly below MT's historic 7.5% to 10% cash flow growth since it began operations. With new facilities starting operation, 1990 cash flow growth should grow about 9% to $2.40 CFS, assuming MT isn't impacted by industry ills.

Advice: Hold shares for higher risk accounts. Historical cash flow gains seem in store for this year and 1990, making stock attractive for investors alert to the increased risks of financing construction and managing fast growth. Other health care REITs offer slower growth but relatively safer returns. (MJH)

MT:NYSE Rank C Dec. years. 15.72 mil. shs.
Price: $19.38 Div. $2.19 Yld. 11.3% Price/CFS: 14.4

Year	Op.EPS	Op.CFS	Div.	High	Low	Yield
1986	$1.17	$1.65	$1.58	$19.83	$12.83	12.3-8.0%
1987	1.24	1.85	1.78	20.50	14.00	12.7-8.7
1988	1.17	2.07	1.97	21.38	15.63	12.6-9.2
1989E	1.35	2.20	2.19a	21.50	15.75z	
1990E	NE	2.40	2.25			

a-Incl. $0.03/sh. special dividend. z-To date. NE-No estimate.

Share data: Instit. ownership 61.6%; insiders 1.2%. Avg. weekly volume: 30,300 sh.
Finances 9/89 (Mil. $): Debt: $460.4M; Equity: $225.5M plus accum. deprec. of $22.4M totals $15.77/sh. Debt/equity ratio: 2.04-1.
Address: 128 Technology Ctr., Waltham, Mass. 02154. (617) 736-1500.

QUALIFIED REAL ESTATE INVESTMENT TRUSTS

RANK		NAME	REVIEW DATE	EXCHANGE/ SYMBOL	GRP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON	12 MO	PRICE Dec 20	% CHANGE FROM Nov 20	Jan 01	P/E RATIO	% ANN YIELD	% PRICE TO BOOK	RETURN ON BOOK	MKT VALU MIL $
A		AMER HEALTH PROP#	12/8/89	NY- AHE	2	14461	$19.01	$2.28	SEP	$2.58	$23.00	0.5 %	28.7 %	8.9	9.9 %	21.0 %	13.6 %	$332.6
NR		AMER SW MTG INVMT	1/27/89	AS- ASR	4	14326	$9.73	$0.48 S	SEP	$0.57	$4.00 X	(17.1)	(51.5)	7.0	12.0	(58.9)	5.9	$57.3
C		AMERICAN REALTY	8/11/89	NY- ARB	4	6356	$15.04	$1.52 S	SEP	$0.66 D	$6.63	(11.7)	(26.4)	10.0	22.9	(56.0)	4.4	$42.1
NR	F-	ANGELES FINC TRST		AS- ANF	4	1051	$17.97	$1.80 D	SEP	$2.05 D	$15.13 X	(0.6)	3.4	7.4	11.9	(15.8)	11.4	$15.9
D		ANGELL REAL EST#	12/8/89	NY- ACR	2	3622	$13.02	$1.52 S	SEP	$1.74	$8.00	(21.0)	(1.5)	4.6	19.0	(38.6)	13.4	$29.0
C		ASSET INVESTORS	9/9/88	NY- AIC	4	13892	$14.94	$1.80 U	SEP	$1.62	$8.63 X	(6.9)	(23.3)	5.3	20.9	(42.3)	10.8	$119.8
B	P-	BAY MEADOWS OPER	8/12/88	AS- CJ	1	5773	$4.35	$0.60 D	SEP	$0.37 D	$17.50 X	0.6	11.1	47.3	3.4	302.3	8.5	$101.0
NR		BODDIE-NOEL PROP#		AS- BNP	2	2850	$11.41	$1.36	SEP	$1.32	$11.00	(2.2)	(17.0)	8.3	12.4	(3.6)	11.6	$31.4
A		BRADLEY RL EST @	10/20/89	AS- BTR	1	4175	$6.32	$0.68	JUN	$0.55	$9.75 X	(3.2)	(27.8)	17.7	7.0	54.3	8.7	$40.7
A		BRE PROPERTIES #	10/20/89	NY- BRE	1	7885	$21.26	$2.40 S	OCT	$2.52 D	$27.75 X	(1.8)	(9.8)	11.0	8.6	30.5	11.9	$218.8
C		BRT REALTY	9/29/89	NY- BRT	4	7177	$14.44	$2.00	SEP	$2.31	$10.88 X	(12.5)	(42.0)	4.7	18.4	(24.7)	16.0	$78.0
A		BURNHAM PAC PROP	10/20/89	AS- BPP	1	5962	$14.90	$1.36 S	SEP	$2.23	$19.00 X	(2.7)	1.3	8.5	7.2	27.5	15.0	$113.3
NR		CALIFORNIA REI	9/29/89	NY- CT	1	9065	$6.72	$0.20	SEP	$0.40	$2.63	(12.5)	(54.3)	6.6	7.6	(60.9)	6.0	$23.8
NR		CAPITAL HSG&MTG	11/24/89	AS- CAP	4	4982	$8.79	$0.95	SEP	$0.61 D	$7.13 X	(0.2)	(1.7)	11.7	13.3	(18.9)	6.9	$35.5
C		CAPSTEAD MTG CORP		NY- CMO	4	8700	$20.14	$2.24 U	SEP	$2.15	$15.63 X	(10.7)	(5.3)	7.3	14.3	(22.4)	10.7	$135.9
NR	F-	CEDAR INCOME FD #		OC- CEDR	1	2329	$8.09	$0.52	SEP	$0.36	$3.88	(29.5)	(42.6)	10.8	13.4	(52.1)	4.4	$9.0
C		CENVILL INVSTR	8/11/89	NY- CVI	3	6883	$12.60	$1.40 S	SEP	$1.25	$9.25	(6.3)	(40.8)	7.4	15.1	(26.6)	9.9	$63.7
B		CHICAGO DOCK&CAN	3/10/89	OC- DOCKS	1	5784	$7.00	$0.24	OCT	$0.87 U	$24.25	(1.0)	(2.0)	27.9	1.0	246.4	12.4	$140.3
C		CLEVETRUST RLTY #	8/12/88	OC- CTRIS	1	1968	$18.53	$0.00	JUN	$0.79	$4.38	(7.9)	(5.4)	5.5	0.0	(76.4)	4.3	$8.6
NR		COLUMBIA RE INVST	9/9/88	AS- CIV	4	5379	$9.43	$0.92 S	SEP	$0.92	$6.88 X	(2.0)	3.8	7.5	13.4	(27.1)	9.8	$37.0
B		COPLEY PROPS #	12/8/89	AS- COP	3	4008	$16.37	$1.44	SEP	$1.55	$11.50	(2.1)	(33.8)	7.4	12.5	(29.7)	9.5	$46.1
C		COUNTRYWIDE MTG	9/9/88	NY- CWM	4	13645	$7.99	$0.56	SEP	$0.72	$3.75	(3.2)	(30.2)	5.2	14.9	(53.1)	9.0	$51.2
A		COUSINS PROPS	3/10/89	OC- COUS	1	17307	$6.17	$0.91 E	SEP	$0.53	$16.00 X	(4.6)	4.1	30.2	5.7	159.3	8.6	$276.9
NR		CRI INS MTG ASSN	12/8/89	NY- CMM	4	20586	$10.26	$1.08	---	$0.00	$8.63 X	(5.4)	(6.8)	0.0	12.5	(15.9)	0.0	$177.6
NR		CRI LIQUIDATING	12/8/89	NY- CFR	4	30733	$13.33	$1.47	---	$0.00	$12.63 X	1.9	0.0	0.0	11.6	(5.3)	0.0	$388.0
NR		DEL-VAL FINCL		NY- DVL	4	5712	$12.57	$1.86	SEP	$1.86 U	$18.25 X	0.8	9.8	9.8	10.2	45.2	14.8	$104.2
B		DIAL REIT INC #	10/27/89	OC- DEAL	1	5322	$16.96	$1.68	SEP	$1.76	$16.25	(5.8)	(8.5)	9.2	10.3	(4.2)	10.4	$86.5
B		DUKE RLTY INVST #	10/27/89	NY- DRE	1	8594	$6.99	$0.68	SEP	$0.68 U	$4.75	(7.3)	(15.6)	7.0	14.3	(32.0)	9.7	$40.8
B		EASTGROUP PROPS	12/8/89	AS- EGP	1	2504	$23.82	$2.60 S	SEP	$5.91	$21.25	3.7	(1.2)	3.6	12.2	(10.8)	24.8	$53.2
B		EASTOVER CORP		OC- EASTS	3	1144	$15.80	$1.36 D	SEP	$2.64	$13.50	(1.8)	(10.0)	5.1	10.1	(14.6)	16.7	$15.4
NR		EMERALD MTG INVST	9/23/88	NY- EIC	4	8750	$9.92	$0.50 U	SEP	$0.92	$3.88	(13.9)	(50.8)	4.2	12.9	(60.9)	9.3	$33.9
C	F-	EQK RLTY INV I #	9/29/89	NY- EKR	1	7589	$14.32	$0.00	SEP	$1.57 U	$6.25	(16.7)	(41.9)	4.0	0.0	(56.4)	11.0	$47.4
A		FEDERAL REALTY#	10/20/89	NY- FRT	1	16476	$12.09	$1.40 S	SEP	$1.66 U	$21.75	(5.9)	3.0	13.1	6.4	79.9	13.7	$358.4
NR		FIRST CONTNL REIT		OC- FCRES	4	5275	$2.44	$0.00	AUG	($0.78) U	$0.25	0.0	(60.0)	0.0	0.0	(89.8)	(32.0)	$1.3
A		FIRST UNION RE#	10/20/89	NY- FUR	1	17659	$9.28	$1.50 S	SEP	$2.21	$16.75	(0.7)	(8.2)	7.6	9.0	80.5	23.8	$295.8
NR		GOLDEN CORRAL #		OC- GCRA	2	1480	$9.38	$1.00	SEP	$1.08	$7.25	0.0	(12.1)	6.7	13.8	(22.7)	11.5	$10.7
C	F-	GRUB&ELLS REIT		OC- GRIT	5	2500	$8.90	$0.92 E	SEP	$0.48	$6.13	(10.9)	(3.9)	12.8	15.0	(31.2)	5.4	$15.3
A		HEALTH CARE PRP#	12/22/89	NY- HCP	2	9200	$22.23	$2.91	SEP	$2.84	$31.00	6.4	19.8	10.9	9.4	39.5	12.8	$285.2
B		HEALTH CARE REIT	12/22/89	AS- HCN	4	6078	$12.16	$1.68	SEP	$1.73	$14.25	3.6	20.0	8.2	11.8	17.2	14.2	$86.6
D		HEALTHVEST #	8/25/89	AS- HVT	2	10773	$20.14	$0.00	SEP	$2.36	$3.88	(13.9)	(77.9)	1.6	0.0	(80.8)	11.7	$41.7
C		HLTH & REHAB PRP#	12/22/89	NY- HRP	2	9998	$8.78	$1.16	SEP	$1.20	$9.38	(2.6)	10.3	7.8	12.4	6.8	13.7	$93.7
C		HMG/COURTLND PROI	9/29/89	AS- HMG	1	1216	$18.78	$0.60	SEP	($2.14)	$11.75 X	25.3	(6.0)	0.0	5.1	(37.4)	(11.4)	$14.3
C	P-	HOLLYWOOD PK RLTY	2/24/89	OC- HTRFZ	1	3956	$1.38	$0.00	SEP	($3.81) D	$23.25	(3.1)	10.7	0.0	0.0	1584.8	(276.1)	$92.0
A		HRE PROPERTIES #	4/21/89	NY- HRE	1	6002	$25.94	$1.80 S	JUL	$1.93	$22.88	0.0	6.4	11.9	7.9	(11.8)	7.4	$137.3
B		ICM PROP INVSTR #	12/8/89	NY- ICM	3	5476	$13.30	$0.48	SEP	$0.85	$6.63	(13.1)	(30.3)	7.8	7.2	(50.2)	6.4	$36.3
NR	F-	INCOME OPP RLTY #		AS- IOT	3	4375	$13.84	$0.60	JUN	($1.43) D	$5.63	(10.0)	(28.6)	0.0	10.7	(59.4)	(10.3)	$24.6
A		INTL INCOME PR#	4/28/89	AS- IIP	1	15953	$8.91	$1.12	SEP	$1.74	$13.50	0.0	2.3	7.8	8.3	51.5	19.5	$215.4
NR		INVG MTG SECS		OC- INVG	4	682	$27.30	$1.40	SEP	($1.62) U	$6.50	0.0	(23.5)	0.0	21.5	(76.2)	(5.9)	$4.4
A		IRT PROPERTY CO#	10/27/89	NY- IRT	1	12186	$9.00	$1.16	SEP	$1.19	$12.63	2.0	(14.7)	10.6	9.2	40.3	13.2	$153.8
B		KOGER EQUITY INC#	3/10/89	AS- KE	1	14313	$18.67	$1.80	SEP	$1.92	$17.13 X	(3.0)	(8.7)	8.9	10.5	(8.3)	10.3	$245.1
C		L&N HOUSING	5/13/88	NY- LHC	5	2200	$18.93	$1.60 D	SEP	$1.61	$11.13 X	(7.8)	(23.9)	6.9	14.4	(41.2)	8.5	$24.5
B		LANDSING PACIFIC#	10/20/89	AS- LPF	1	6157	$19.14	$0.80	SEP	$0.82	$9.38 X	11.0	5.6	11.4	8.5	(51.0)	4.3	$57.7
NR		LINCOLN NC RL FND		AS- LRF	3	1998	$12.25	$0.84 S	SEP	$0.33	$7.00	(12.5)	(22.2)	21.2	12.0	(42.9)	2.7	$14.0
NR	F-	LINPRO SPCFD PROP		AS- LPO	1	1856	$9.04	$0.00	SEP	($0.02)	$1.50	9.1	(42.9)	0.0	0.0	(83.4)	(0.2)	$2.8
C		LOMAS & NET MTG	2/10/89	NY- LOM	4	11704	$21.31	$1.20 D	SEP	$0.06	$5.25 X	(14.6)	(70.8)	87.5	22.9	(75.4)	0.3	$61.4
NR		MEDICAL PROPS		AS- MPP	2	2369	$10.86	$1.20 S	SEP	$0.84	$7.75	3.3	1.6	9.2	15.5	(28.6)	7.7	$18.4
C		MEDITRUST #	12/22/89	NY- MT	2	15721	$15.77	$2.28 E	SEP	$2.11	$19.38	(1.3)	14.0	9.2	11.8	22.9	13.4	$304.6
C	F-	MELLON PART MTG	8/25/89	OC- MPMTS	5	8645	$9.05	$0.80	SEP	$0.73 D	$5.63	(13.5)	(25.0)	7.7	14.2	(37.8)	8.1	$48.6
C		MERRY LAND & INV	9/9/88	OC- MERY	3	9779	$7.21	$0.10 D	SEP	$0.93	$5.38	4.9	(28.3)	5.8	1.9	(25.5)	12.9	$52.6
B		MGI PROPERTIES #	7/8/88	NY- MGI	1	9432	$17.68	$1.12 S	AUG	$1.55	$12.38	(8.3)	(29.8)	8.0	9.1	(30.0)	8.8	$116.7
B		MONMOUTH REIT @	1/27/89	OC- MNRTS	3	1853	$4.45	$0.70 S	JUN	$0.69	$6.25	4.2	4.2	9.1	11.2	40.4	15.5	$11.6
B		MTG & RLTY TRUST	8/25/89	NY- MRT	3	10872	$16.95	$2.00	SEP	$1.85	$13.38	(12.3)	(21.3)	7.2	15.0	(21.1)	10.9	$145.4
B		MTG INVSTMT PLUS#	8/25/89	AS- MIP	3	9020	$8.35	$0.80	SEP	$0.56 D	$7.00 X	1.1	(3.4)	12.5	11.4	(16.2)	6.7	$63.1
B		NATIONWIDE HLTH #	12/8/89	NY- NHP	2	8195	$20.91	$1.00	SEP	$2.32	$12.63	4.1	7.4	5.4	7.9	(39.6)	11.1	$103.5
A		NEW PLAN RLY TR#	10/27/89	NY- NPR	1	34713	$8.48	$1.04 U	JUL	$1.00	$17.75	2.9	11.8	17.8	5.9	109.3	11.8	$616.2
NR	F-	NOONEY RLTY TR#		OC- NRTI	1	867	$16.63	$0.32 S	SEP	$0.36 U	$9.13 X	2.3	4.3	25.3	3.5	(45.1)	2.2	$7.9
B		ONE LIBERTY PR#	6/23/89	AS- OLP	2	2203	$13.42	$0.00	JUN	$0.01	$10.88	(1.1)	(23.7)	1087.5	0.0	(19.0)	0.1	$24.0
A		PENN REIT#	10/27/89	AS- PEI	1	8207	$10.00	$1.72 U	AUG	$1.64	$26.88	13.2	18.1	16.4	6.4	168.8	16.4	$220.6
NR		PITTS & WVA RR		AS- PW	2	1510	$6.07	$0.56	SEP	$0.55 S	$5.88 X	2.4	(6.0)	10.7	9.5	(3.2)	9.1	$8.9
B		PRESIDNTL RL-A#		AS- PDL.A	3	479	$4.01	$1.66	JUN	$1.97	$8.63 X	(9.6)	(37.8)	4.4	19.2	115.1	49.1	$4.1
B		PRESIDNTL RL-B#		AS- PDL.B	3	2825	$4.01	$1.66	JUN	$1.97	$8.63 X	(8.5)	(38.4)	4.4	19.2	115.1	49.1	$24.4
B		PROPERTY CAPITAL	8/26/88	AS- PCT	3	10869	$13.92	$1.12	OCT	$1.38 D	$12.75 X	(2.6)	(37.4)	9.2	8.8	(8.4)	9.9	$138.6
A		PROPERTY TR AMER	9/29/89	NY- PTR	1	5071	$10.37	$0.84	SEP	$0.76 D	$9.00	(6.5) %	(7.7)	11.8	9.3	(13.2)	7.3	$45.6
B	F-	PRU RL CAPITAL #	7/8/88	NY- PRT	1	11135	$1.41	$0.00	---	$0.00	$0.81	(13.2)	(35.0)	0.0	0.0	(42.3)	0.0	$9.1
B	F-	PRU RL INCOME #	7/8/88	NY- PRTPR	1	11135	$8.00	$0.69	SEP	$0.69 U	$5.50	(8.3)	(12.0)	8.0	12.5	(31.3)	8.6	$61.2
NR		RAC MTG INVESTMT	9/23/88	NY- RMR	4	14450	$8.41	$0.12	SEP	$0.03	$2.00	(11.1)	(75.4)	66.7	6.0	(76.2)	0.4	$28.9
B		REALTY REFUND		NY- RRF	4	1021	$18.29	$1.72	OCT	$1.72	$14.25 X	(6.8)	0.0	8.3	12.1	(22.1)	9.4	$14.5
C		REALTY SOUTH		AS- RSI	3	2098	$11.13	$0.68	SEP	$0.17	$6.75	14.9	(35.7)	39.7	10.1	(39.4)	1.5	$14.2
B		REIT OF CALIF#	10/20/89	NY- RCT	1	7346	$12.42	$1.36 S	SEP	$1.69 S	$15.63	(0.8)	(1.6)	9.2	8.8	25.8	13.6	$114.8
NR		RESIDENTIAL MTG		AS- RMI	4	4220	$7.73	$0.00	SEP	($0.07)	$1.50	20.0	(52.0)	0.0	0.0	(80.6)	(0.9)	$6.3
NR	F-	RESORT INCOME INV	8/25/89	AS- RII	5	4156	$11.81	$1.60 S	SEP	$1.53	$10.00	(8.0)	(17.5)	6.5	16.0	(13.9)	13.2	$41.6
A		ROCK CTR PROPS #	12/8/89	NY- RCP	5	37510	$16.31	$1.88 S	SEP	$1.78	$20.75 X	1.0	5.7	11.7	9.1	27.2	10.9	$778.3
NR		RPS REALTY TRUST	12/8/89	NY- RPS	5	29282	$6.84	$0.84 U	SEP	($0.10) S	$6.00	9.1	(7.7)	0.0	14.0	(12.3)	(1.5)	$175.7
NR		RYMAC MTG INVSTM	9/23/88	AS- RM	4	5420	$8.46	$1.60 S	SEP	$0.89	$7.00	(3.4)	(17.6)	7.9	22.9	(17.3)	10.5	$37.9
A	P-	SANTA ANITA	4/28/89	NY- SAR	1	10957	$10.27	$2.08 S	SEP	$1.53	$28.25	(2.6)	(13.1)	18.5	7.4	175.1	14.9	$309.5
NR	F-	SIERA CAP RLY IV#		AS- SZD	1	7470	$7.90	$0.30 S	JUN	$0.24	$4.13 X	5.0	(26.7)	17.2	7.3	(47.8)	3.0	$30.8

RA NK	NAME	REVIEW DATE	EXCHANGE/ SYMBOL	GRP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON	12 MO	PRICE Dec 20		% CHANGE FROM Nov 20	Jan 01	P/E RATIO	% ANN YIELD	% PRICE TO BOOK	RETURN ON BOOK	MKT VALU MIL $
NR F-	SIERA CAP RLY VI#		AS- SZF	1	3533	$8.11	$ $0.28	JUN	$0.23	$4.38	X	0.5 %	(40.7) %	19.0	6.4 %	(46.1) %	2.8 %	$15.5
NR F-	SIERRA RE EQ83#		OC- SETBS	1	3032	$7.46	$ $0.25	S JUN	$0.48	$6.00	X	10.2	(4.0)	12.5	4.2	(19.6)	6.4	$18.2
NR F-	SIERRA RE EQ84#		OC- SETC	1	4887	$6.79	$ $0.00	MAR	$0.49	$3.88		(3.1)	(29.5)	7.9	0.0	(42.9)	7.2	$18.9
B	SIZELER PROP INV#	2/24/89	NY- SIZ	1	3713	$18.83	$1.56	JUN	$1.48	$13.50		(0.9)	(8.5)	9.1	11.6	(28.3)	7.9	$50.1
C	STORAGE EQUITIES	10/14/88	NY- SEQ	1	10943	$14.39	$1.40	SEP	$1.01	$11.00	X	(10.1)	(2.2)	10.9	12.7	(23.6)	7.0	$120.4
NR	TIS MTG INVSTMT	9/23/88	NY- TIS	4	8100	$8.94	$1.28	U SEP	$0.94	$7.88		0.0	(1.6)	8.4	16.3	(11.9)	10.5	$63.8
C F-	TRAML CROW REI#	7/8/88	NY- TCR	1	9075	$9.01	$ $0.70	SEP	$1.14	$4.63		(7.5)	(36.2)	4.1	15.1	(48.7)	12.7	$42.0
NR F-	TRANSCONTL RLTY #	9/9/88	NY- TCI	3	12280	$13.54	$0.70	MAR	($1.45)	$3.13		(13.8)	(40.5)	0.0	22.4	(76.9)	(10.7)	$38.4
A	UNIV HEALTH RLTY#	12/8/89	NY- UHT	2	7047	$14.05	$1.48	S SEP	$1.59	$12.63	X	(5.5)	6.3	7.9	11.7	(10.1)	11.3	$89.0
C	USP RL EST INV#		AS- URT	1	3880	$7.74	$ $1.00	SEP	$0.26	U $4.50		(23.4)	(42.9)	17.3	22.2	(41.9)	3.4	$17.5
A	UTD DOMINN RLY#	10/27/89	OC- UDRT	1	11587	$13.81	$ $1.24	S SEP	$1.26	$18.00		1.4	(0.7)	14.3	6.9	30.3	9.1	$208.6
NR F-	VMS HOTEL INVSTMT		AS- VHT	5	9863	$8.75	$0.90	S SEP	$0.68	$3.50		(9.7)	(46.2)	5.1	25.7	(60.0)	7.8	$34.5
NR	VMS MTG INVSMT FD	11/24/89	NY- VMG	5	39709	$8.80	$1.20	S SEP	$1.07	$5.13		(10.9)	(48.8)	4.8	23.4	(41.8)	12.2	$203.5
NR	VMS S/T INCOME		AS- VST	4	6918	$9.20	$1.04	D SEP	$0.99	$5.25		2.4	(32.3)	5.3	19.8	(42.9)	10.8	$36.3
NR	VMS STRATGIC LAND		OC- VLANS	5	11994	$8.85	$1.27	E SEP	$1.11	$5.75		17.9	(22.0)	5.2	22.1	(35.0)	12.5	$69.0
A	WASH RE (WRIT)#	4/21/89	AS- WRE	1	15434	$7.35	$ $1.08	SEP	$1.18	$18.75	X	(1.8)	(10.7)	15.9	5.8	155.1	16.1	$289.4
D	WEDGESTONE FINCL	8/11/89	NY- WDG	4	5795	$5.69	$0.00	SEP	($2.24)	$1.00		0.0	(63.6)	0.0	0.0	(82.4)	(39.4)	$5.8
A	WEINGARTEN RLY#	10/20/89	NY- WRI	1	13986	$13.82	$ $1.76	SEP	$2.44	$32.00	X	6.8	24.9	13.1	5.5	131.5	17.7	$447.6
A	WESTERN INV RE#	10/20/89	AS- WIR	1	15969	$14.44	$ $1.40	SEP	$1.48	U $19.38		6.9	9.2	13.1	7.2	34.2	10.2	$309.4

COMPANIES AND MASTER LIMITED PARTNERSHIPS

NR	ABRAMS INDS INC		OC- ABRI	10	2978	$5.99	$0.20	S OCT	$0.54	U $5.38	X	14.2	30.0	10.0	3.7	(10.3)	9.0	$16.0
C LP-	AMER RE PARTNERS	7/14/89	NY- ACP	8	14361	$17.38	$2.00	S SEP	$1.82	$11.75		0.0	(22.3)	6.5	17.0	(32.4)	10.5	$168.7
L	AMERICANA HOTEL		NY- AHR	L	4920	$9.54	$8.00	SEP	$0.93	$6.38		(3.8)	24.4	6.9	125.5	(33.2)	9.7	$31.4
C	AMREP CORP	9/15/89	NY- AXR	7	6618	$10.25	$0.00	OCT	$0.10	D $6.50		(14.8)	(16.1)	65.0	0.0	(36.6)	1.0	$43.0
NR	ANGELES CORP		AS- ANG	11	3080	$5.99	$0.00	SEP	($0.06)	U $7.88		(4.5)	37.0	0.0	0.0	31.5	(1.0)	$24.3
E VJ-	BAY FINCL CORP		NY- BAY	8	3851	$0.24	$ $0.00	SEP	($7.47)	U $1.00		(11.1)	(91.4)	0.0	0.0	316.7	(3112.5)	$3.9
C LP-	BURGER KING INV #	7/14/89	NY- BKP	8	4635	$17.59	$1.80	SEP	$1.76	$12.25	X	(7.2)	(7.5)	7.0	14.7	(30.4)	10.0	$56.8
C LP-	CAL FED INC PTNR#	7/28/89	NY- CFI	8	13169	$6.89	$1.00	SEP	$0.82	$5.63		(15.1)	(15.1)	6.9	17.8	(18.4)	11.9	$74.1
C	CALPROP CORP		AS- CPP	7	4617	$8.93	$0.00	SEP	$1.17	$6.63		(11.7)	(4.4)	5.7	0.0	(25.8)	13.1	$30.6
C	CALTON INC	6/10/88	NY- CN	7	23788	$2.81	$0.00	AUG	$0.24	$1.13		(10.0)	(62.5)	4.7	0.0	(60.0)	8.5	$26.8
NR	CENTENNIAL GROUP		AS- CEQ	10	26200	$5.68	$0.00	SEP	$0.10	$1.63		8.3	(51.9)	16.3	0.0	(71.4)	1.8	$42.6
A	CENTEX CORP	11/10/89	NY- CTX	6	15072	$27.74	$0.40	SEP	$3.52	$30.50	X	(7.3)	4.3	8.7	1.3	9.9	12.7	$459.7
NR	CHAMPION ENTRPRS		AS- CHB	12	7167	$4.99	$0.00	AUG	($1.39)	$2.63		(16.0)	(30.0)	0.0	0.0	(47.4)	(27.9)	$18.8
C	CHRISTIANA COS		NY- CST	7	5192	$5.48	$0.00	SEP	$0.34	$9.50		5.6	52.0	27.9	0.0	73.4	6.2	$49.3
B	CLAYTON HOMES		NY- CMH	12	15804	$5.81	$0.00	SEP	$1.04	$8.75		(5.4)	2.9	8.4	0.0	50.6	17.9	$138.3
NR LP-	CMNWLTH MTG AM-A		NY- CMA	9	35000	$0.15	$0.00	SEP	($0.29)	$0.25		(60.0)	(87.5)	0.0	0.0	66.7	(193.3)	$8.8
NR	CONGRESS ST PROPS		OC- CSTP	10	1075	$12.39	$0.00	AUG	($1.01)	D $4.25		0.0	(33.3)	0.0	0.0	(65.7)	(8.2)	$4.6
C	CONTL HMS HOLDING		OC- CONH	7	3515	$7.68	$0.00	NOV	$0.80	U $8.63		1.5	130.0	10.8	0.0	12.3	10.4	$30.3
L F-	CONTL MTG&EQUITY	3/24/89	OC- CMETS	L	11486	$8.89	$0.10	SEP	($0.85)	$2.88		(4.2)	(32.4)	0.0	3.5	(67.7)	(9.6)	$33.0
B	COUNTRYWIDE CRDIT	2/24/89	NY- CCR	9	16789	$6.69	$0.28	U NOV	$0.65	D $8.13		4.8	30.0	12.5	3.4	21.4	9.7	$136.4
D	COVINGTON DEVLPMT		OC- COVT	7	13943	$0.80	$0.00	SEP	$0.43	$0.88		(15.0)	75.0	2.0	0.0	9.4	53.8	$12.2
D	DELTONA CORP		NY- DLT	7	5581	$4.82	$0.00	SEP	$0.04	$4.38		(12.5)	(12.5)	109.4	0.0	(9.2)	0.8	$24.4
NR LP-	EMERALD HOMES LP		NY- EHP	7	5225	$5.31	$0.00	D SEP	$0.27	$1.88		(51.6)	(77.9)	6.9	0.0	(64.7)	5.1	$9.8
A LP-	EQK GRN ACRES LP#	7/28/89	NY- EGA	8	10174	$7.88	$ $1.29	U SEP	$1.30	$11.88		1.1	(5.9)	9.1	10.9	50.7	16.5	$120.8
C LP-	EQUITABLE RE SC #	7/28/89	NY- EQM	8	10700	$8.01	$ $1.04	S JUN	$0.62	$7.25		(6.5)	(18.3)	11.7	14.3	(9.5)	7.7	$77.6
D	EQUITEC FNCL GP		NY- EFG	11	4952	$1.40	$0.00	SEP	($1.65)	$1.63		(35.0)	(38.1)	0.0	0.0	16.1	(117.9)	$8.0
C	FAIRFIELD COMM	9/15/89	NY- FCI	7	10922	$9.91	$0.00	SEP	$0.20	$3.88		(13.9)	(36.7)	19.4	0.0	(60.9)	2.0	$42.3
A	FED NATL MTG	8/11/89	NY- FNM	9	238591	$10.19	$0.56	SEP	$2.90	$34.38		(14.9)	103.2	11.9	1.6	237.3	28.5	$8201.6
NR	FIRST CAROLINA		OC- FCAR	10	686	$32.83	$0.50	SEP	$1.71	U $34.50		4.5	16.9	20.2	1.4	5.1	5.2	$23.7
B	FLEETWOOD ENTER	9/25/89	NY- FLE	12	22708	$17.91	$0.76	S OCT	$2.56	D $22.25		(4.3)	(11.4)	8.7	3.4	24.2	14.3	$505.3
B	FOREST CITY-A#	9/15/89	AS- FCE.A	8	4169	$29.70	$ $0.42	S JUL	$3.20	U $36.88		(17.1)	(8.1)	11.5	1.1	24.2	10.8	$153.7
B	FOREST CITY-B#	9/15/89	AS- FCE.B	8	3890	$29.70	$ $0.36	S JUL	$3.20	U $43.00		(14.4)	3.9	13.4	0.8	44.8	10.8	$167.3
C LP-	FORUM RET PFD UN#	6/14/89	AS- FRL	8	6510	$8.74	$ $1.35	SEP	$0.58	$2.88		(8.0)	(53.1)	5.0	47.0	(67.1)	6.6	$18.7
NR	FPA CORP		AS- FPO	7	4011	$6.98	$0.00	SEP	($2.00)	U $1.25		(37.5)	(67.7)	0.0	0.0	(82.1)	(28.7)	$5.0
C	GENERAL DEVLPMT	9/15/89	NY- GDV	6	8462	$19.58	$0.00	SEP	$0.42	$9.50		(20.8)	(24.8)	22.6	0.0	(51.5)	2.1	$80.4
D	GENERAL HOMES		NY- GHO	7	15009	($9.35)	$0.00	JUN	($10.82)	$0.41		(35.0)	(18.8)	0.0	0.0	0.0	0.0	$6.1
B LP-	GOULD INVSTRS LP@	9/29/89	AS- GLP	8	1075	$19.08	$0.00	JUN	$3.58	$55.50		0.0	13.3	15.5	0.0	190.9	18.8	$59.7
C	GRUBB & ELLIS CO	6/10/88	NY- GBE	11	16205	$5.17	$0.00	SEP	$0.06	$4.38		9.4	9.4	72.9	0.0	(15.4)	1.2	$70.9
NR	HAMMOND CO		OC- THCO	9	1660	$5.00	$0.10	SEP	($0.37)	$4.50		(37.9)	50.0	0.0	2.2	(10.0)	(7.4)	$7.5
L P-	HOTEL INVESTORS	10/27/89	NY- HOT	L	12132	$13.08	$1.00	S SEP	($0.29)	$6.50		(13.3)	(29.7)	0.0	15.4	(50.3)	(2.2)	$78.9
B	HOVNANIAN ENTR	11/10/89	AS- HOV	7	20854	$6.07	$0.00	AUG	$1.27	$7.38		(19.2)	11.3	5.8	0.0	21.5	20.9	$153.8
NR	INDIANA FNCL INV		OC- IFII	8	913	$13.55	$0.00	SEP	$1.15	$8.00		(3.0)	36.2	7.0	0.0	(41.0)	8.5	$7.3
D	INTEGRATED RESC	8/11/89	NY- IRE	11	7420	$18.81	$0.00	MAR	$1.73	$0.22		(78.1)	(98.4)	0.1	0.0	(98.8)	9.2	$1.6
B LP-	INTERSTATE GEN CO	9/29/89	AS- IGC	8	9900	$3.80	$0.80	SEP	$1.19	$7.00		(1.8)	7.7	5.9	11.4	84.2	31.3	$69.3
NR	INTL AMER HOMES		OC- HOME	7	7255	$4.66	$0.00	SEP	$0.47	$1.13		(35.7)	(25.0)	2.4	0.0	(75.9)	10.1	$8.2
L	JMB REALTY		OC- JMBRS	L	1423	$10.72	$0.35	L AUG	$2.66	D $8.25		10.0	(25.3)	3.1	4.2	(23.0)	24.8	$11.7
A	KAUFMAN &BROAD H	11/10/89	NY- KBH	6	27604	$5.52	$0.30	AUG	$2.19	$12.88		(17.6)	51.5	5.9	2.3	133.2	39.7	$355.4
A	KOGER PROPS#	3/10/89	NY- KOG	8	26260	$9.17	$2.80	SEP	$2.78	$23.63		(4.5)	(5.0)	8.5	11.9	157.6	30.3	$620.4
D LP-	LA QUINTA MTR IN#	7/14/89	NY- LQP	8	3975	$15.96	$ $2.00	SEP	$1.25	U $6.75		(3.6)	(40.7)	5.4	29.6	(57.7)	7.8	$26.8
C	LANDMARK LAND	9/15/89	AS- LML	10	7996	$4.00	$0.40	SEP	$0.25	$11.75		(16.8)	(41.6)	47.0	3.4	193.8	6.3	$94.0
C	LEISURE+TECH	11/24/89	NY- LVX	7	5433	$5.11	$0.00	SEP	($0.22)	$2.25		(25.0)	(41.9)	0.0	0.0	(56.0)	(4.3)	$12.2
A	LENNAR CORP	11/10/89	NY- LEN	6	6667	$25.02	$0.24	S AUG	$2.80	$20.00		(5.9)	13.5	7.1	1.2	(20.1)	11.2	$133.3
NR	LOAN AMER FNCL-B		OC- LAFCB	9	1987	$8.18	$0.00	SEP	$0.54	$4.75		(13.6)	0.0	8.8	0.0	(41.9)	6.6	$9.4
E VJ-	LOMAS FINANCIAL	9/29/89	NY- LFC	9	29914	($3.89)	$0.00	SEP	($8.80)	$0.69		(26.6)	(94.6)	0.0	0.0	0.0	0.0	$20.6
C	M/I SCHOTNSTN HMS		OC- MIHO	7	5920	$3.80	$0.00	SEP	$0.78	$7.25		9.4	38.1	9.3	0.0	90.8	20.5	$42.9
NR	MAJOR REALTY	11/18/88	OC- MAJR	7	6928	$3.28	$0.00	SEP	$0.72	$12.00		(2.0)	17.1	16.7	0.0	265.9	22.0	$83.1
NR	MAY DEPT STORES	2/26/88	NY- MA	10	138445	$19.29	$1.42	OCT	$3.43	$44.13	X	(2.2)	21.7	12.9	3.2	128.7	17.8	$6108.9
NR	MCA INC	2/26/88	NY- MCA	10	73293	$24.43	$0.68	S SEP	$2.68	$62.50	X	(5.8)	37.7	23.3	1.1	155.8	11.0	$4580.8
C	MDC HOLDINGS	11/18/88	NY- MDC	6	15890	$9.58	$0.00	SEP	($1.01)	D $1.13		(18.2)	(59.1)	0.0	0.0	(88.3)	(10.5)	$17.9
NR	MISSION WEST PR		AS- MSW	7	1501	$12.71	$0.36	AUG	$0.48	$7.38		(3.3)	(23.4)	15.4	4.9	(42.0)	3.8	$11.1
L	MONY RL EST INV		NY- MYM	L	10639	$9.29	$0.29	L NOV	$0.95	U $8.00		(1.5)	(3.0)	8.4	3.6	(13.9)	10.2	$85.1
L	MSA REALTY CORP #	8/25/89	AS- SSS	L	8647	$7.06	$ $0.60	S JUN	$0.38	$8.88	X	(3.7)	12.7	23.4	6.8	25.7	5.4	$76.7
NR	NATIONAL ENTRPRS		NY- NEI	12	7138	$1.00	$0.00	SEP	($1.14)	$0.31		(44.4)	(72.2)	0.0	0.0	(68.7)	(114.0)	$2.2
C LP-	NATIONAL REALTY	8/25/89	AS- NLP	8	8745	($3.28)	$ $0.80	SEP	($3.14)	$2.88		(37.8)	(72.9)	0.0	27.8	0.0	0.0	$25.1
L F-	NATL INCOME RLTY	3/24/89	OC- NIRTS	L	11362	$9.80	$0.12	SEP	($3.19)	$3.38		3.8	(25.0)	0.0	3.6	(65.6)	(32.6)	$38.3
A LP-	NEWHALL LAND	9/29/89	NY- NHL	10	19505	$7.66	$ $1.70	SEP	$2.53	$59.75		1.3	5.5	23.6	2.8	680.0	33.0	$1165.4

RA NK	NAME	REVIEW DATE	EXCHANGE/ SYMBOL	GRP	SHARES (000)	BOOK VALUE	ANN DIV	-EARNINGS-- MON	12 MO	PRICE Dec 20	% CHANGE FROM Nov 20	Jan 01	P/E RATIO	% ANN YIELD	% PRICE TO BOOK	RETURN ON BOOK	MKT VALU MIL $
C LP-	NVR L.P.	11/10/89	AS- NVR	6	27169	$4.87	$0.80	SEP	$1.36	$5.00	(16.7) %	(14.9) %	3.7	16.0 %	2.7 %	27.9 %	$135.8
B	OAKWOOD HOMES		NY- OH	12	5201	$9.89	$0.08	SEP	$0.54	$6.25	(2.0)	(9.1)	11.6	1.3	(36.8)	5.5	$32.5
B	ORIOLE HOMES-A	5/26/89	AS- OHC.A	7	1917	$13.86	$0.55	SEP	$1.96	$8.75	(9.1)	(13.6)	4.5	6.3	(36.9)	14.1	$16.8
B	ORIOLE HOMES-B	5/26/89	AS- OHC.B	7	1883	$13.86	$0.60	SEP	$1.96	$8.63	(6.8)	(12.7)	4.4	7.0	(37.8)	14.1	$16.2
NR	PACESETTER HOMES		OC- PACE	7	1542	$9.21	$0.00	SEP	$1.67	$8.25	0.0	83.3	4.9	0.0	(10.4)	18.1	$12.7
NR	PARKWAY COMPANY		OC- PKWY	10	1312	$27.38	$0.80 S	SEP	($0.02)	$14.25	0.0	(10.9)	0.0	5.6	(48.0)	(0.1)	$18.7
NR	PATTEN CORP		NY- PAT	7	17075	$5.19	$0.00 D	SEP	$0.18	$2.50	(9.1)	(33.3)	13.9	0.0	(51.8)	3.5	$42.7
B	PERINI INV PR#	9/15/89	AS- PNV	8	3879	($0.17) $	$0.60 S	SEP	$1.72	$15.38	(3.9)	(6.1)	8.9	3.9	0.0	0.0	$59.6
C	PETERS(JM) CO INC	11/10/89	AS- JMP	7	13980	$8.82	$0.00	NOV	$2.15 D	$7.88	(22.2)	(8.7)	3.7	0.0	(10.7)	24.4	$110.1
C	PHM CORP	5/26/89	NY- PHM	6	25280	$11.60	$0.12	SEP	$2.32	$10.38 X	(25.7)	(6.7)	4.5	1.2	(10.6)	20.0	$262.3
C LP-	PRIME MTR INN LP#	7/14/89	NY- PMP	8	4000	$19.42 $	$2.08 U	JUN	$2.43	$10.75	(11.3)	(32.8)	4.4	19.3	(44.6)	12.5	$43.0
D	PUNTA GORDA		AS- PGA	7	3317	($2.85)	$0.00	SEP	($1.76) D	$0.44	(41.7)	(83.4)	0.0	0.0	0.0	0.0	$1.4
NR	READING CO-A	11/25/88	OC- RDGCA	8	4971	$11.89	$0.00	SEP	$6.03	$12.50	3.1	6.4	2.1	0.0	5.1	50.7	$62.1
C LP-	RED LIONS INNS #	7/14/89	AS- RED	8	4312	$17.73 $	$2.10	SEP	$1.97	$16.75	(8.8)	13.6	8.5	12.5	(5.5)	11.1	$72.2
NR	ROCKWOOD NATL		PS- RNC	7	9827	$2.23	$0.00	SEP	($0.43)	$0.44	0.0	(73.0)	0.0	0.0	(80.4)	(19.3)	$4.3
A	ROUSE CO#	9/15/89	OC- ROUS	8	47967	$6.14 $	$0.56	SEP	$0.82	$25.00 X	(1.4)	2.0	30.5	2.2	307.2	13.4	$1199.2
A	RYLAND GROUP	11/24/89	NY- RYL	6	12877	$14.61	$0.60 S	SEP	$2.74	$19.25	(7.2)	(6.7)	7.0	3.1	31.8	18.8	$247.9
NR	SANTA FE PACIFIC		NY- SFX	10	157752	$4.52	$0.10	SEP	$2.40	$18.13	(1.4)	5.1	7.6	0.6	301.0	53.1	$2859.3
C LP-	SHOPCO LAURL CTR#	7/14/89	AS- LSC	8	4660	$7.77 $	$1.10	JUN	$1.15	$8.88	(5.3)	(7.8)	7.7	12.4	14.2	14.8	$41.4
B	SKYLINE CORP		NY- SKY	12	11217	$13.74	$0.48 S	NOV	$1.21 D	$14.63 X	3.5	(5.6)	12.1	3.3	6.4	8.8	$164.0
E VJ-	SOUTHMARK CORP	7/14/89	NY- SM	10	45117	($18.87)	$0.00	MAR	($28.99)	$0.14	(9.6)	(91.3)	0.0	0.0	0.0	0.0	$6.4
D LP-	SOUTHWEST RLTY#	9/29/89	AS- SWL	8	4087	$4.68 $	$0.00	SEP	($0.17)	$1.25	(9.1)	53.8	0.0	0.0	(73.3)	(3.6)	$5.1
NR	STARRETT HOUSING		AS- SHO	7	6456	$5.27	$0.00	SEP	$0.72	$5.63	(13.5)	(6.3)	7.8	0.0	6.7	13.7	$36.3
A LP-	STD PACIFIC L.P.	11/10/89	NY- SPF	6	27073	$8.59	$1.80	SEP	$3.75	$13.75	(12.0)	14.6	3.7	13.1	60.1	43.7	$372.3
NR	TEJON RANCH CO	11/24/89	AS- TRC	10	12682	$2.39	$0.05 S	SEP	$0.17	$43.38 X	(11.4)	22.2	255.1	0.1	1714.9	7.1	$550.1
NR	TIERCO GP INC		OC- TIERC	8	2126	($6.89)	$0.00	SEP	($13.38)	$0.88	(12.5)	(81.6)	0.0	0.0	0.0	0.0	$1.9
C	TOLL BROS	5/26/89	NY- TOL	6	29920	$2.54	$0.00	OCT	$0.44 D	$3.25	(3.7)	(31.6)	7.4	0.0	28.0	17.3	$97.2
B LP-	UDC-UNIVRSL DEV	11/24/89	NY- UDC	7	7186	$3.38	$2.40	SEP	$4.36	$21.00 X	(6.1)	12.0	4.8	11.4	521.3	129.0	$150.9
NR	UNICORP AMER		AS- UAC	10	17300	$5.50	$0.00	SEP	($2.71)	$2.00	(20.0)	(65.2)	0.0	0.0	(63.6)	(49.3)	$34.6
C	UNION VALLEY CORP		AS- UVC	7	3560	$5.08	$0.00	SEP	($0.19)	$4.13	(2.9)	(45.9)	0.0	0.0	(18.8)	(3.7)	$14.7
C	US HOME CORP	11/10/89	NY- UH	6	44031	$4.19	$0.00	SEP	$0.06	$1.25	(9.1)	(41.2)	20.8	0.0	(70.2)	1.4	$55.0
NR LP-	US REALTY PTNRS#		OC- USRLZ	8	1222	$14.38	$1.56	SEP	$1.80	$6.00	0.0	(20.0)	3.3	26.0	(58.3)	12.5	$7.3
L	VINLAND PROPERTY		OC- VIPTS	L	5966	$2.18	$0.00	AUG	($1.28)	$0.38	(14.4)	(66.7)	0.0	0.0	(82.8)	(58.7)	$2.2
NR LP-	VMS MORTGAGE INV		OC- VMLPZ	9	7629	$9.00	$0.80 D	SEP	$1.01	$3.75	(6.3)	(49.2)	3.7	21.3	(58.3)	11.2	$28.6
NR	WASHINGTON CORP		PH- TWC.X	7	1739	$4.85	$0.25	SEP	$0.53	$5.25	2.4	(20.8)	9.9	4.8	8.2	10.9	$9.1
B	WEBB (DEL) CORP	9/15/89	NY- WBB	6	9368	$6.93	$0.00	SEP	($1.70)	$8.25	1.5	(46.3)	0.0	0.0	19.0	(24.5)	$77.3
NR LP-	WINTHROP INS MTG		AS- WMI	9	3868	$12.28	$1.32 S	SEP	$1.25	$12.63	1.0	5.2	10.1	10.5	2.8	10.2	$48.8
D	WRITER CORP		OC- WRTC	7	4400	$0.23	$0.00	SEP	($2.18) U	$0.75	0.0	20.0	0.0	0.0	226.1	(947.8)	$3.3

GROUP ACTION SUMMARY 12/20/89

GROUP NUMBER & NAME	NON-DIV	DIV	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV	EARN ANN	PRICE DEC 20	--% CHANGE- NOV 20	JAN 1	P/E RATIO	ANNUAL YIELD	% PRICE TO BOOK	RETURN ON BOOK	MARKET VAL(000)
1 PROPERTY REITS	38	6	44	8691	$11.65	$0.96	$1.02	$13.40	(0.7)%	(5.4)%	13.1	7.2%	15.0%	8.8	$5802.7
2 LEASEBACK REITS	11	2	13	6879	14.23	1.29	1.58	12.51	(0.9)	(3.3)	7.9	10.3	(12.1)	11.1	1372.5
3 PROP & MTG COMB REITS	15	0	15	5597	11.18	1.04	0.88	8.36	(5.1)	(28.8)	9.5	12.4	(25.3)	7.9	692.4
4 MORTGAGE REITS	21	3	24	8790	12.27	1.13	0.67	7.80	(4.4)	(20.5)	11.7	14.5	(36.5)	5.4	1623.9
5 PARTICIPATING MTG REITS	9	0	9	16207	10.89	1.22	0.99	8.22	(3.7)	(18.3)	8.3	14.9	(24.5)	9.1	1391.0
REIT AVERAGE			105	8691	11.98	1.07	0.99	10.84	(2.1)	(11.2)	11.0	9.9	(9.5)	9.0	10882.6
6 MAJOR HOMEBUILDERS	7	5	12	20784	11.73	0.36	1.41	11.26	(11.3)	(5.3)	8.0	3.2	(4.0)	12.0	2294.5
7 OTHER BLDRS/DEVELOPERS	5	24	29	7558	5.46	0.14	0.11	5.38	(9.0)	(8.2)	48.2	2.7	(1.5)	2.0	1009.8
8 INCOME PROP BLDR/OWNER	18	6	24	8315	10.81	0.99	0.63	13.90	(7.1)	(9.8)	22.2	7.1	28.6	5.8	3142.0
9 MORTGAGE BANKER/FINANCE	5	3	8	41930	5.95	0.38	(0.39)	8.63	(12.5)	6.4	0.0	4.4	45.1	(6.5)	8461.7
10 DIVERSIFIED RLTY&HOLDING	9	4	13	38795	10.25	0.45	(1.46)	23.21	(3.4)	8.6	0.0	1.9	126.6	(14.2)	15504.9
11 RLTY SVCS/SYNDICATORS	0	4	4	7914	7.84	0.00	0.02	3.52	(10.5)	(46.3)	176.2	0.0	(55.1)	0.3	104.8
12 MANUFACTURED HOUSING	3	3	6	11539	8.89	0.22	0.47	9.14	(3.3)	(10.0)	19.4	2.4	2.8	5.3	861.1
OTHER REALTY STOCKS AVERAGE			96	16759	8.58	0.21	0.17	11.09	(7.1)	(4.1)	66.5	4.0	29.2	5.1	31378.8
L LIQUIDATING COMPANIES	7	1	8	8322	8.82	1.31	(0.09)	5.58	(2.3)	(13.2)	NC	NC	(36.8)	NC	357.4
OVERALL AVERAGE			209	12544	10.36	0.77	0.60	10.96	(4.6)	(7.9)	18.4	7.0	5.8	7.4	42618.8
DOW JONES INDUSTRIALS								2687.93	2.1	23.9	11.5	4.0			
STANDARD & POOR'S 500								342.84	1.0	23.4	14.5	3.4			
DOW JONES UTILITIES								233.84	6.3	25.5	17.8	6.3			

SYMBOLS & ABBREVIATIONS

RANKINGS: A - Strongest in EPS/CFS/dividend growth, financial/liquidity position, and competitive posture in business segment. Buy; B - Above average in EPS/CFS/dividend growth, financial/liquidity position, and competitive posture in business segment. Above average market performer/buy; C- Average but some volatility apparent in EPS/CFS/dividend growth, financial/liquidity position, and open to competitive pressures. Speculative buy; D - Below average with high volatility in EPS/CFS/dividends, financial/liquidity pressures with some illiquidity, and less competitive business position. More speculative buy; E - Sustained losses and cash flow, illiquidity, and possible bankrupcy filing. Most speculative buy. * = Not Ranked. Z = Audit or affiliates involved in pending transaction. New EPS or Dividend: U=Up. D=Down. S=Unchanged. E=Includes special. X=Ex Dividend. # = Net Cash Flow (EPS plus noncash charges less mortgage payments). @=Gross Cash Flow. Book value for cash flow entities includes accum. depreciation. Last bid prices used for OTC. P=Paired stock. $=Current appraised value reported see p. 3. F=Finite life REIT. LP=Limited partnership. L=Liquidating. VJ=In bankruptcy reorganization. **GROUP CHANGE:** Hotel Invs.; MSA Realty to Liquidating Cos. **MERGED:** CRI Ins. Mtg. Inv. L.P. and CRI Ins. Mtg. II into CRI Insured Mortgage Assn. and CRI Liquidating REIT, both new REITs inserted in Mortgage REITs. **DELETED:** American Insured Mortgage '84 L.P.